



28

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www.toweautomuseum.org events@toweautomuseum.org

August 19, 2006

To: Honorable Mayor and Members of the Sacramento City Council
Honorable Chair and Members of the Board, Sacramento Redevelopment Agency

Subject: Response to the August 22, 2006 staff report titled *Final Land Use Alternatives, Grants, Allocation for Property Acquisition and Contract Issues for the Docks Area Redevelopment Project (KD41)*

Regarding: Docks Area Redevelopment Project

Location: The Docks Area is south of Capitol Mall, north of the Marina/Miller Park, east of the Sacramento River and west of the I-5 freeway.

Council District: 4

Attachments:

- A. Staff Report dated August 16, 2006 to the City of Sacramento Design Review and Preservation Board
- B. Response submitted by Towe Auto Museum on August 17, 2006 to the Sacramento City Council, the Sacramento Planning Commission, and the Sacramento Design Review and Preservation Board
- C. Staff Report dated August 22, 2006 to the Sacramento City Council and Redevelopment Agency

At this time, membership of the California Vehicle Foundation / Towe Auto Museum would like to register our concern with the Docks Area Redevelopment Project as it is currently presented.

Mission Statement: "The mission of the Towe Auto Museum is to be the center of automotive activity in the community by preserving, promoting, and teaching automotive culture and its influence on our lives."

Facilities: The Museum collection is considered by many experts to be one of the finest in the world. Towe is also home to a well respected research library, community programs, and the Mighty Wurlitzer, an early 1920's theatrical organ preserved by members of the American Theatrical Organ Society. The museum's educational programs are taught by volunteers recognized internationally as experts in their fields. Two community event centers inside the

museum accommodate parties of up to 300 people. The museum supports a staff of six full time employees and a few hundred active volunteers.

City Commitment: In presentations regarding the Docks Project in 2005, Mayor Heather Fargo and the City Council clearly indicated to City staff that the waterfront area needed to be lively, active and vibrant – a place of celebration. It was also clearly indicated that the Towe should be preserved and might be an attraction to the Docks plan or nearby.

The Museum's importance to the area's tourism base is proven. Last year 24,000 people came through the Museum doors, with 30 percent of the attendance from out of town, including international visitors that can be accounted for on a daily basis. Several of the educational programs offered by the museum are considered "destination classes" with students from all over California and Nevada traveling to Sacramento to attend, using hotel room nights and local restaurants. The museum employs six full time staff people, with program goals that could easily increase that number in the near future.

Recent and/or upcoming press coverage on local, regional, and international levels describe the Museum as a valuable Sacramento attraction. Feature articles have recently appeared in *Sacramento* magazine, *Group Tours* magazine, *Via* (CSAA's membership magazine), *Old Cars Weekly* (a car buff's required reading), and a French magazine akin to America's *Car and Driver* magazine. Last Friday the museum was featured for two hours on "Good Day Sacramento" as a sponsor for the Race for the Arts.

Towe Auto Museum's Commitment: Under terms of its lease with the City, the Museum pays a small stipend for rent. In addition it is required to spend 25% of its annual operating budget on building improvements; \$500,000 over the 20-year term of the lease. Towe Auto Museum will exceed that goal this year by undergoing \$50,000 in maintenance and improvements that include new gutters, new awning at the front door, painting the exterior of the building and seal coating the roof. There are also plans for a mural project on the Front Street side of the building in the near future.

City Staff's Commitment: In all reports issued by City staff regarding the Docks Area Redevelopment Project, there is minimal or usually **NO MENTION AT ALL of the Towe Auto Museum.** Existence of a 72,000 square foot building with an 18-year old business that has been identified by the City Council as a community asset that needs to be preserved is not addressed and, in most cases, is invisible in these reports.

As an example, the City staff report of August 16 (see attachment A, page 3, sixth bullet) mentions "Existing facilities that must be incorporated into the plan..." There is no mention of Towe Auto Museum as an "existing facility." How did a 72,000 square foot building housing an important cultural collection not get included in this report?

Towe's Potential: The building at 2200 Front Street dates back to circa 1927. Although it is old, the walls and floor are sturdy. To replace the roof would cost approximately \$500,000 and was included in the City's CE21 budget a couple years ago. City staff has held off on the repairs until more was known about the Docks Project time table. To replace the building will cost at least \$7 million. A new roof would also give ample opportunity to re-wire the building, replace the lighting, and install heating and air conditioning units that would maintain a constant temperature to protect the artifacts and make guests more comfortable.

Towe's Potential in the Docks Project: If you look at Old Sacramento, the number one attraction in that area by far is the California State Railroad Museum. It activates the entire area; it brings people to the parks, shops, restaurants, and waterfront areas. Equally, the Towe Auto Museum is working hard to be an active and vibrant part of the community.

A recent change in management has expanded our potential significantly. Special events are held regularly, including private parties, trade shows, weddings, movies, concerts, children's events, receptions, fashion shows, and festivals, to name a few. Numerous community events are also hosted by the Museum, including AARP Driver Safety Classes, Towe's Kids' Engine Classes, car repair classes and Model T driving classes, lectures with the Sacramento Art Deco Society, car shows, silent and classic movies, swap meets, holiday concerts and activities, etc. In the past six months Towe has hosted Free Museum Day, California History Day competitions, Boy Scouts' Scout-O-Rama, and Race for the Arts, as well as numerous corporate and community celebrations sponsored by other groups. Plans are in the works to expand this community outreach substantially in 2007-2008. Many of these would be much better events if park space were available.

Just as the Railroad Museum is the major driver to Old Sacramento, the Auto Museum could be the major driver to the Docks Area. With a current annual visitation rate of 24,000 people per year, the Towe is already in position and poised to carry this forward to the next step to make the Docks Project an exciting area filled with activity and celebration.

Response to today's report and the plan as it stands now:

- Towe Auto Museum representatives have been present at many of the community workshops held both in August of this year and in 2005. We support the City in its work to acquire properties in the area for future development with a solid plan. Continuity in the Docks Area is needed. However, we are disappointed to see that many of the suggestions submitted by both City boards and community members are not presently reflected in these plans. The plan as it stands now is not solid. It lacks excitement, lacks activity, and lacks easy access to the river and to area businesses as directed. It doesn't bring people in to celebrate Sacramento and its river features.
- The Final Land Use Plans mentioned on page 3 of today's report are ambiguous at best. Anchor businesses, architectural types, topographical changes, and even the park design are still highly conceptualized. With a construction start date verbalized at these meetings of early 2008 and no mention of the museum's existence, we are concerned about our survival.
- "Improvements to public infrastructure" (pg. 16, 19) are not clearly defined in these plans other than road grids, promenade, and light rail placement. Fire protection, schools, a cultural or community center, and parking are not addressed.
- Parking requirements adequate enough for a "destination park" are not addressed. Suggestion: if Towe's present building is not deemed as adequate for the neighborhood, a new building in the same area, close to the park, could include a parking garage that could help to support the museum.
- There are several mentions in today's report of "obsolete, aged and deteriorated buildings" (pg. 5), and "elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area" (pg. 16, 19). With \$50,000 worth of improvements going up now and a capital funding campaign for future construction or

improvements started, it is clear that Towe Auto Museum does not wish to be considered in this category. Even as isolated as the museum is at present, we are working hard to “strengthen retail and commercial functions” in the area, and we look to “stimulate new commercial expansion, employment and economic growth” (pg. 5).

- In Attachment A, page 1, item #4 addresses the need for an “animated riverfront district.” Again on page 3, item #2 describes goals that include “more water-edge uses, such as Old Sacramento,” “Dock element seems isolated,” and “Alternatives lack interactive spaces between green spaces and water.”

Shops and restaurants are not sufficient anchors on their own to activate an area. There is no anchor shown on this plan that could drive and animate the Docks Project area as desired. In order for the “destination park” to be “activated,” it will need a solid anchor. Towe Auto Museum is that anchor.

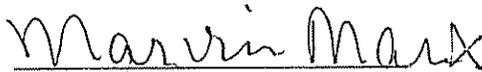
Requested Action: We at the California Vehicle Foundation / Towe Auto Museum humbly appeal to the Sacramento City Council and Sacramento Redevelopment Agency to include the Towe Auto Museum as a positive design feature for the Docks Project Redevelopment Area.

If the Council’s desire is that the museum is not a good fit for this project, then we humbly request that Towe Auto Museum be allowed to stay long enough in our present location for one of the other riverfront developments to take shape and a facility specifically for the Museum be built. At that point we can continue in a new development as an important asset for the City.

If it turns out that this development will not happen for several years, we would humbly request that City staff move forward with the roof repair and extend our lease for another 5-20 years from the present lease termination date of February, 2008.

Whatever happens, we would appreciate a solid understanding today that we are valued as an important asset to the City and are safe from closure by a wrecking ball.

Respectfully submitted by:



Marvin Marx, Board President
California Vehicle Foundation / Towe Auto Museum

Attachment A

Councils Directive last year that have be included!



Report to
DESIGN REVIEW AND PRESERVATION BOARD
City of Sacramento

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

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Roberta DeLong - Historic Preservation!

INFORMATIONAL
August 16, 2006

*Crocker Art Expansion
Freeway Deck expansion*

Honorable Members of the Design Review and Preservation Board:

Subject: A workshop on the Docks Area Redevelopment Project

Location/Council District: The Docks Area is south of Capitol Mall, north of the Marina/Miller Park, east of the Sacramento River and west of the I-5 Freeway.

Council District: 4

Recommendation: The Design Review and Preservation Board is requested to review and comment on the final draft land-use alternatives for the Docks Area Redevelopment Project.

Contact: Luis Sanchez, AIA, Design Review Director, 808-5957
Laura Sainz, Senior Project Manager, 808-2677

Applicant: The City of Sacramento

Owner: The City of Sacramento, The Redevelopment Agency of the City of Sacramento, The State of California, Pacific Gas & Electric Company (PG&E)

Summary: In January, the Redevelopment Agency of the City of Sacramento (Agency) approved an Exclusive Right to Negotiate (ERN) with KSWM Docks Partners, LLC (developer) for Phase I of the Docks Area. The developer is finalizing land-use alternatives based on both the 2003 Sacramento Riverfront Master Plan and the 2005 Docks Area Community Planning Process, both of which included significant public participation. The developer has prepared three alternatives to be analyzed in the Docks Area Environmental Impact Report (EIR). Before the draft EIR is released, the developer is seeking additional community input.

Why are we not mentioned in report?

3/2 NoA decision tonight 2nd mtg.

Background Information: Since early 2005, the City's Economic Development Department has been managing the redevelopment of the Docks Area along the Sacramento Riverfront. In 2005, there was an extensive community planning process based on the 2003 Sacramento Riverfront Master Plan (2003 Master Plan). The Docks Area Community Planning Process has remained committed to key elements of the 2003 Master Plan, including:

1. Public access to the river;
2. Linkages to adjacent neighborhoods;
3. Pedestrian orientation throughout the area; and
4. An animated riverfront district. *(Central County Center?)*

The 2005 Docks Area Community Planning Process included community workshops, presentations to the City's Design Review and Preservation Board (Board), Planning Commission, Parks and Recreation Commission and workshops with the City Council. The development concepts for the Docks Area generated from the community include:

- A mixed-use neighborhood with heavy emphasis on residential development;
- Pedestrian and bicycle access integrated throughout the plan area;
- Public and open space including parks and a riverfront promenade; and
- Medium- to high-density development with building heights designed to maximize views.

Is this everything? Filtering Process

At the presentation to the Board in June of last year, the City presented two land-use plans for the Docks Area. Feedback from the Board included:

1. Maximize Density

- Site should support as much high-density residential as possible;
- High-rise towers in area for structures;
- Increase height/layers of towers as move east on site, with highest towers along eastern edge/Front Street. Form-based zoning program option; and
- Don't have to choose between high density or open space - have both!

2. Maximize Water-Dependant Public Spaces and Uses Along the River

- Incorporate as much public open space as possible;
- The triangle park area, aka "pizza slice," preferred, with higher density towers to east;
- More water-edge uses, such as at Old Sacramento; *RR Museum, Quays, Children's museum*
- Dock element seems isolated; *↳ Drive activity!*
- Integrate water level project components at river water level;
- Need more water-dependant uses along river, not just "green space;" and
- Alternatives lack interactive spaces between green spaces and water. *Best use of space Drive attendance*

3. Urban Design

- Support the extension of central city grid pattern/alignments into area;
- Maintain consistency with riverfront and levy promenade design elements to north;
- Consider aquatic park in San Francisco with bay-edge park, high rises behind; and
- Maintain consistency with Riverfront Master Plan design plan by one landscape vs segmentation of styles and design elements.

4. Rail Road Tracks Alignment

- Existing track alignment may help marina access;
- Should consider keeping existing alignment;
- Avoid track transition to Front Street alignment option at Embassy Suites;
- Greater train grade-crossing impacts on Front Street;
- Interest for train travelers to be on top of levy at river, existing alignment; and
- Recognize track alignment changes through time in this area.

5. Activate the Area

- Utilize excursion train and river otter shuttle to access Docks Area; and
- Bicycle crossing at R Street trestle crucial.

In January, the Agency selected a developer to negotiate Phase I of the Docks Area. This includes the property north of the Pioneer Bridge. In addition, the Agency has hired a planning firm to design the riverfront promenade as well as the open space south of the Pioneer Bridge.

The Alternatives

The developer has completed three final draft land-use alternatives for the Docks Area. The alternatives address the constraints of the Docks Area, as well as provide a feasible project that

could be built after entitlements are secured. The Docks Area has numerous constraints including:

- The Pioneer Reservoir, a city facility that must be located north of the Pioneer Bridge;
- Existing distribution lines that pre-determine the alignment of U Street;
- A levee system that forms the western edge of the project area;
- Rail lines that run along the levee;
- Brownfield sites that must be planned judiciously; and
- Existing facilities that must be incorporated into the plan, including the historic Sump 1A Building and the existing PG&E facility, located at the intersection of U and Front streets.

Town Museum?
All of the land-use alternatives include the following elements:

1. High-density, mixed-use development with an emphasis on residential development;
2. A variety of heights and residential products, designed to ensure a diverse neighborhood that relates to the historic use of the site;
3. A pedestrian orientation and scale;
4. A riverfront promenade that incorporates the excursion train lines, landscaping, a multi-use path and additional sidewalks and circulation elements;
5. Access to the riverfront;
6. Street alignment designed to accommodate future public transportation routes;
7. Linkages to adjacent neighborhoods; and
8. A range of high-quality open/park space including:
 - Plazas/small public spaces, such as pedestrian alleyways and the plaza at the northern end of the project that connects the area to the future R Street pedestrian crossing;
 - Neighborhood parks, including the shared green spaces tucked away on the inside of residential blocks, landscaped areas and pedestrian pathways;
 - Community parks; including the town square/commons;
 - Regional parks, including the open/park space south of the Pioneer Bridge; and
 - Parkways, including the riverfront promenade.

Alternative A-1 and A-2

The distinguishing elements of Alternatives A-1 and A-2 include:

- The open space has been centrally located;
- The Pioneer Reservoir has been relocated under the proposed central park space. The variations in the two alternatives (A-1 and A-2) address the need to present two different options for the layout of a new reservoir facility; and
- The central open space connects directly to the riverfront promenade, yet still provides for an "animated riverfront" by allowing private development adjacent to the promenade.

Alternative B

The distinguishing elements of Alternative B include:

- The open space has been extended along the length of the promenade, allowing for a larger section of open/park space directly adjacent to the riverfront;
- The Pioneer Reservoir has been relocated to the existing animal shelter site; and
- Development on both sides of the riverfront, providing addition security and animation.

Alternative C

The distinguishing elements of Alternative C include:

- The Pioneer Reservoir remains in its existing location, but has been retrofitted to support open/park space on the roof of the facility;
- Due to the reservoir remaining in its existing location, the large park space is located in the southern corner of the development, adjacent to the Pioneer Bridge; and
- A public plaza which provides a transition from the street to the park on top of the reservoir

In addition to the Phase I development north of Pioneer Bridge, the City is also seeking to rezone the property south of Pioneer Bridge in anticipation of redeveloping the property where the oil company tank farms are currently located.

Environmental Considerations:

A Master EIR is being prepared for the Docks Area project.

Policy Considerations:

City of Sacramento Strategic Plan: The Docks Redevelopment Project will meet goals stated in the City's 2005 Strategic Plan including 1) Achieve sustainability and liveability; 2) Increase opportunities for all Sacramento residents to live in safe and affordable housing; and 3) Expand economic development throughout the city.

General Plan, Smart Growth Principles: The City Council has also adopted "smart growth" principles in planning for the future of the City, including more dense development in infill areas. It is the City's policy to "Foster walkable, close-knit neighborhoods through a system of fully connected activity centers, streets, pedestrian paths and bike routes...Concentrate new development and target infrastructure investments within the urban core of the region to allow for the efficient use of existing facilities, infill and reuse areas."

Parks and Recreation Master Plan (2005-2010): The Docks Area, a significant infill site, will include high-density, mixed-use development. However lack of large, greenfield type land necessitates more unique park and recreation facilities in order to meet park and open space needs. Policy 13.5 of the City's Parks and Recreation Master Plan specifically acknowledges the legitimate role of urban public parks in the City's parks and recreation system including:

"At the sole discretion of the City, accept parkland dedications or acquire neighborhood park sites less than five acres in size that meet specialized neighborhood needs, considering the following circumstances:

- Scale and features are consistent with the character and urbanized areas of infill and mixed-use development, and provide needed relief from the hardscape and intensity of denser land-use patterns;
- Sites are visible and serve as positive gathering places for persons living, working or visiting nearby;
- Larger land areas are not available or desirable;
- In general, a City adopted Community/Specific Plan identifies such sites to address future growth and are integral to the nature of planned development. Exceptions made be made at the sole discretion of the City;
- Where feasible, the City may require development and maintenance of these smaller sites to be provided by private interests in accordance with City standards, ensuring they are continuously open to the public."

2005 Downtown Sacramento Redevelopment Strategy: The Docks Area Redevelopment Project is consistent with the goals mentioned in the 2005 Downtown Sacramento Redevelopment Strategy including:

1 The elimination of environmental deficiencies in the Merged Project Area, including, among others, mixed and shifting uses, small and irregular lots, obsolete, aged and deteriorated building types, inadequate or deteriorated public improvements, and incompatible and uneconomic land uses;

2. The strengthening of retail and other commercial functions in the downtown area, the strengthening of the economic base of the Merged Project Area and the community by the installation of needed site improvements either inside or outside the Merged Project Area to stimulate new commercial/light industrial expansion, employment and economic growth; and

- Tossing floor = end

*Stork -
Cook
Repairs
New Mil
Economically
not feasible*

3. The establishment and implementation of performance criteria to assure high site-design standards and environmental quality and other design elements, which provide unity and integrity to the entire Merged Project.

Project Design

Staff is requesting the Board review the final draft alternatives to be presented to the Board and provide comments, particularly on the four key elements described above. In addition, staff is requesting the Board provide comments and direction related to proposed Design Guidelines to be developed for the Docks Area.

Next Steps

Following extensive community outreach throughout the month of August, staff expects to release a draft EIR for the project this fall. Following circulation of the EIR, staff expects to return to the Board for a recommendation to the Planning Commission and City Council on the both the Docks Area Specific Plan and the Docks Area Special Planning District.

Respectfully submitted by: *L.F. Sainz*
LAURA SAINZ
Senior Project Manager

Recommendation Approved:

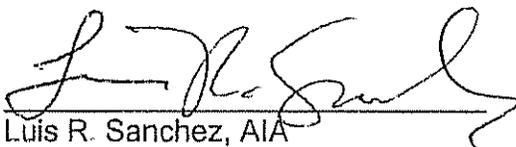
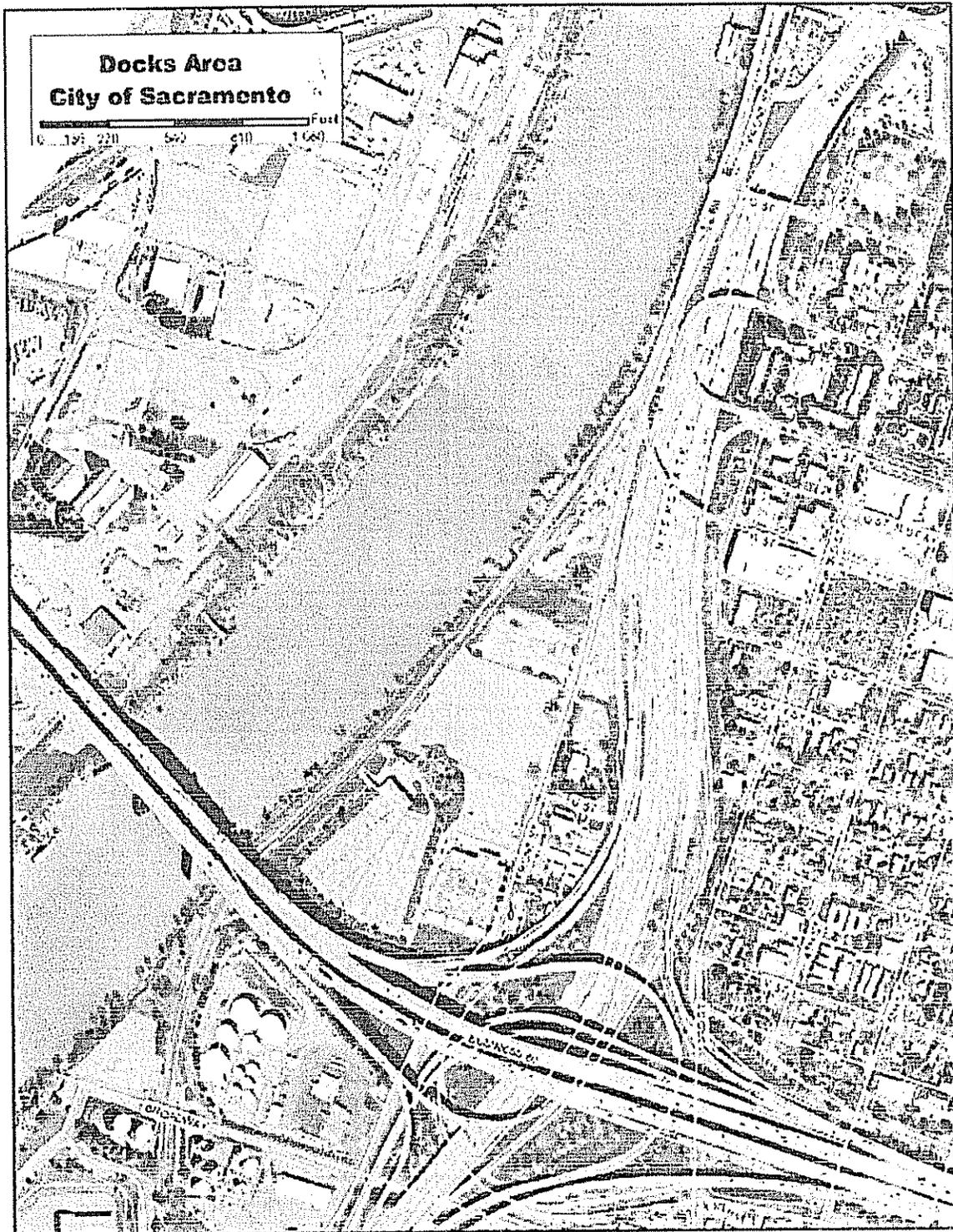

Luis R. Sanchez, AIA
Design Review Director

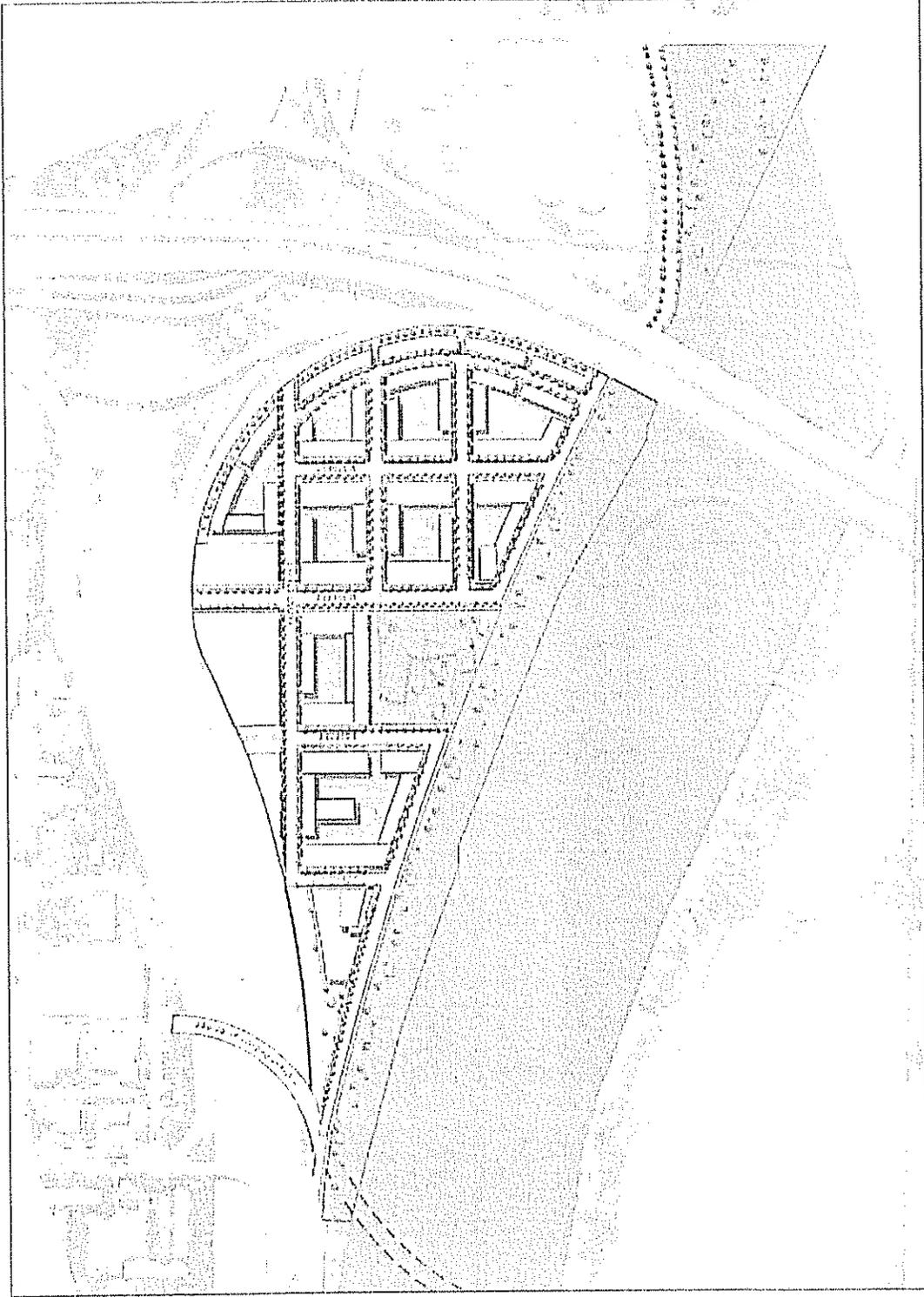
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- Pg. 9 Attachment 4, Alternative B
- Pg. 10 Attachment 5, Alternative C

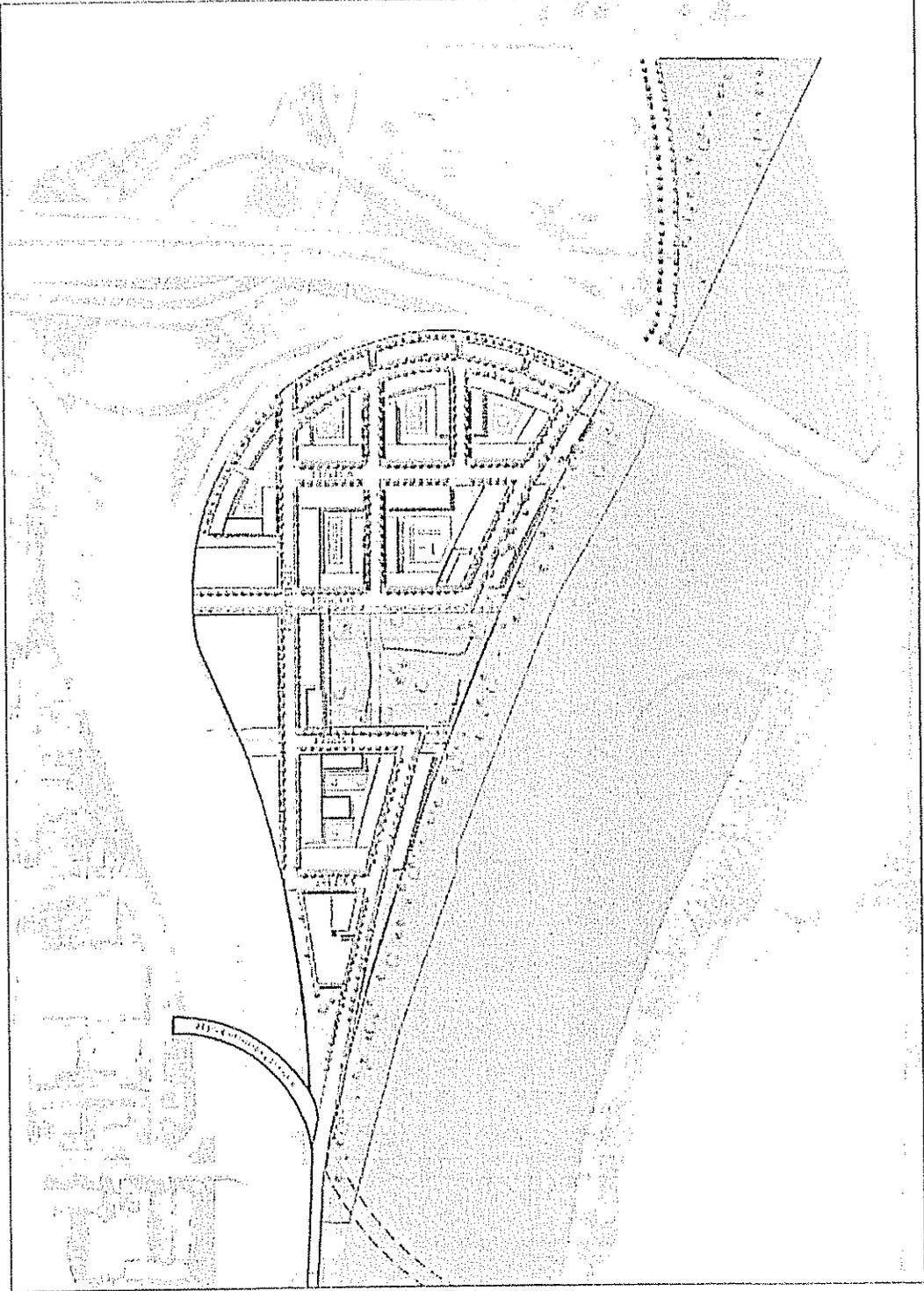
Attachment 1 - Aerial Map of the Docks Area



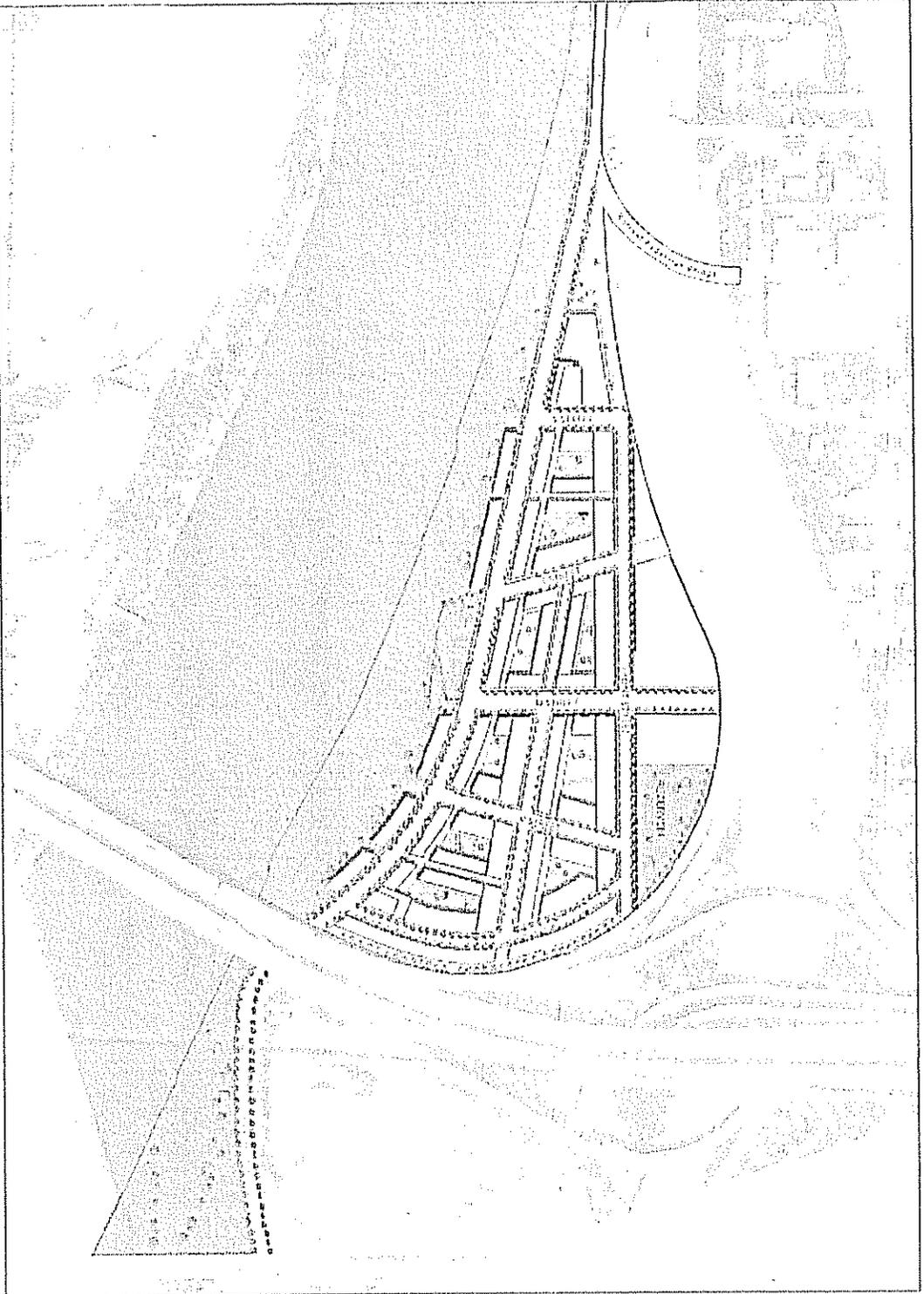
Attachment 2 - Land Use Plan Alternative A-1



Attachment 3 - Land Use Plan Alternative A-2

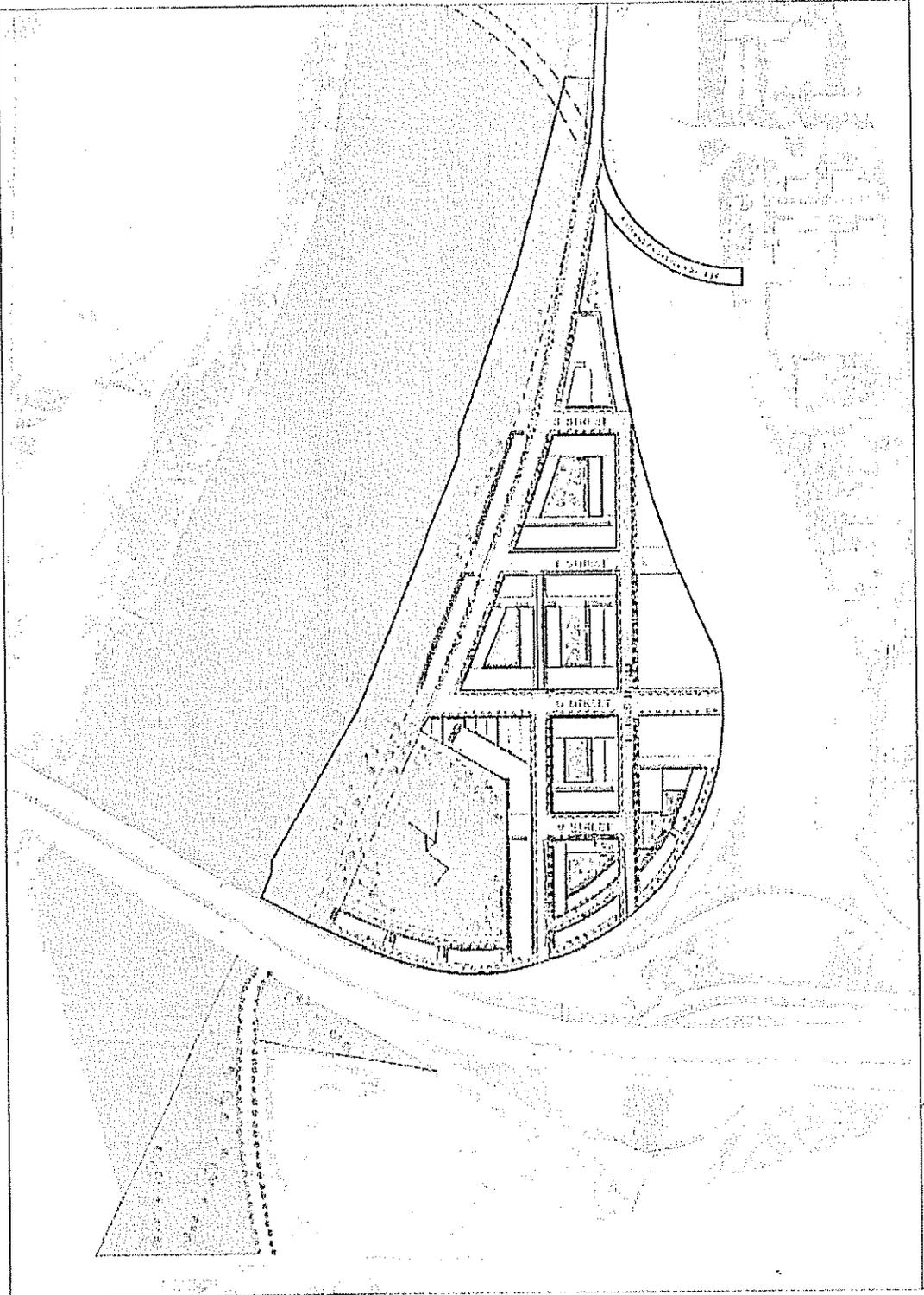


Attachment 4 - Land Use Plan Alternative B



Subject: A Workshop on the Docks Area Redevelopment Project

Attachment 5 - Land Use Plan Alternative C



08/17
Lump sum
August 16, 2006
Notes for
the workshop

Attachment B



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August 17, 2006

To: Honorable Members of the Sacramento City Council
Honorable Members of the Sacramento Planning Commission
Honorable Members of the Sacramento Design Review & Preservation Board

Subject: Response to the staff report written by Laura Sainz, Senior Project Manager

Regarding: Docks Area Redevelopment Project

Location: The Docks Area is south of Capitol Mall, north of the Marina/Miller Park, east of the Sacramento River and west of the I-5 freeway.

Council District: 4

Background: Since 1988 Towe Auto Museum has occupied a 72,000 square foot warehouse at 2200 Front Street, just east of the Pioneer Reservoir, west of the animal shelter, north of Pioneer Bridge, and south of the PG & E property. In that warehouse is a world-class collection of over 150 antique and classic cars circa 1896 – 2000 managed by the California Vehicle Foundation, a membership driven 501 (c) (3) nonprofit organization.

Mission Statement: “The mission of the Towe Auto Museum is to be the center of automotive activity in the community by preserving, promoting, and teaching automotive culture and its influence on our lives.”

Facilities: Besides the collection mentioned above, Towe Auto Museum is home to a well respected research library, an education program, and the Mighty WurliTzer, an early 1920’s theatrical organ preserved by members of the American Theatrical Organ Society. The organ is considered an important part of the museum’s community entertainment programs.

This space also serves as a community event space with an education center that holds 75 people and a special events area that holds parties for 300 people. The museum supports a staff of six full time employees and a few hundred active volunteers.

The museum is highly regarded for its educational programs, which are taught by volunteers who are internationally recognized as experts in their fields. The collection itself is considered to be one of the finest in the world.



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City Commitment: In presentations regarding the Docks Project in 2005, city officials, including Mayor Heather Fargo and the City Council, directed City staff that the Towe Auto Museum is considered an asset to the community that should be preserved. Its importance to the area's tourism base is proven with half of the attendance from out of town, including international visitors that can be accounted for on a daily basis. Several of the educational programs offered by the museum are considered "destination classes" with students from all over California and Nevada traveling to Sacramento to attend, using hotel room nights and local restaurants.

Staff Report: In review of the staff report, we at the Towe Auto Museum need to point out some glaring issues:

- **In the five pages of text, there is NOT ONE MENTION of the Towe Auto Museum.**
- In the Summary on page 1 it mentions "significant public participation." How can something so significant as a 72,000 square foot building with an 18-year old business that has been directed by the City Council as a "community asset that needs to be preserved" not be addressed in this report?
- Page 2 lists four "development concepts." As we know there were other issues brought forward at these workshops, one of which we know was the museum. How was this information filtered to settle on these specific four issues? *future*
- In the Background Information on page 1, item #4 addresses the need for an "animated riverfront district." Again on page 3, item #2 describes goals that include "more water-edge uses, such as Old Sacramento," "Dock element seems isolated," and "Alternatives lack interactive spaces between green spaces and water."

One of the primary goals of the Docks Project is to get the best use of space and drive attendance to the project area. Yet, **there is no cultural or community center in this plan.** The California Railroad Museum is proven as the #1 attendance driver into the Old Sacramento District. (Joe's Crab Shack is #2.) There is no anchor shown on this plan that could drive and animate the Docks Project area as desired.

The Towe Auto Museum regularly holds events outside that would be perfect for these areas, such as car shows, weddings, children's explorations, and festivals. Just as the Railroad Museum is the major driver to Old Sacramento, the Auto Museum could be the major driver to the Docks Area.

- On page 3, the sixth bullet mentions "Existing facilities that must be incorporated into the plan..." There is no mention of Towe Auto Museum as an "existing facility." How did a 72,000 square foot building not get included in this list?



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- On page 4 under “Policy Considerations: *General Plan, Smart Growth Principles:*” the report cites a desire for “Concentrated new development and target infrastructure investments within the urban core of the region to allow for the efficient use of existing facilities ” Towe Auto Museum is an “existing facility” that could be engineered into the plan, offering a “unique park and recreation facility.”
- On page 5, item 1 discusses “obsolete, aged and deteriorated building types.” Towe Auto Museum is presently undergoing a \$50,000 renovation that will include new exterior paint, gutters, front door awning, and sealing the roof. To do the major repairs that the existing building would need for long-term usage would cost \$500,000 - \$1 million. To replace the building fully will cost more than \$7 million. The developer’s design could be easily adjusted to accommodate a multi-level, multi-use design that could include the Auto Museum, parking garage, shops, restaurants, and easy access to the park. Museum activities, again, would activate the park area.
- On page 5, item 2 discusses the “strengthening of retail and other commercial functions in the downtown area” and “strengthening the economic base of the Merged Project Area and the community.” Shops and restaurants will not be enough to do this job alone. Attractions are also required to build a solid economic base for the region. Towe Auto Museum is already an established commercial function within the Merged Project Area, and is an attraction recognized worldwide as a viable and potential hub of activity for the community and tourism.

Requested Action: We at the California Vehicle Foundation / Towe Auto Museum humbly appeal to the Sacramento City Council, Sacramento Planning Commission, and the Sacramento Design and Review Board to consider the potential for this facility as a positive design feature for this project. If it doesn’t work for this project, then we humbly request that we be allowed to stay long enough in our present location for one of the other riverfront developments to take shape. At that point we can move over and remain as an important asset for the City.

Respectfully submitted by:

Kate M. Baker, Events Coordinator and
The California Vehicle Foundation

Attachment C



**REPORT TO THE
REDEVELOPMENT AGENCY
AND CITY COUNCIL
of the City of Sacramento**

915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Staff Report
August 22, 2006

**Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Board**

Title: Final Land Use Alternatives, Grants, Allocation for Property Acquisition and Contract Issues for the Docks Area Redevelopment Project (KD41)

Location/Council District: The Docks Area is located along the eastern bank of the Sacramento River, north of the Marina/Miller Park, west of Interstate 5 and south of Capitol Mall. (Council District 4).

Recommendation:

For City Council: Adopt a **Resolution** authorizing the City Manager to:

- 1) Execute a Memorandum of Understanding between the City of Sacramento and the Sacramento Area Council of Governments (SACOG) for a \$1.239 million SACOG 2005-2007 Community Design Grant awarded to the City (KD41);
- 2) Enter into two Individual Project Agreements (IPA) with the Redevelopment Agency of the City of Sacramento (Agency) for KD41 including:

IPA 1: Transferring \$45,905 of tax increment funds from the Merged Downtown Development Assistance project in order to provide the local match needed for a \$183,620 California Transportation Department (Caltrans) Grant awarded to the City.

IPA 2: Transferring \$1,246,577 of tax increment funds from the Merged Downtown Development Assistance project which includes \$161,000 for the required matching funds for the SACOG grant as well as \$1,085,577 for agreements with Walker Macy.

- 3) Amend and increase the existing IPA with the Agency in the amount of \$245,000 for KD41 based on the allocation of \$145,000 of tax increment funds from the Merged Downtown Development Assistance project for a contract amendment with Nichols Consulting Engineers, Chtd. (Nichols) and the transfer of the \$100,000 deposit from KSWM Docks Partners, LLC (developer) from the Agency to the City of Sacramento;

- 4) Increase the revenue and expenditure budgets for KD41 for the IPAs when the appropriate documents are executed, in the following amounts:
 - \$45,905 for the Caltrans match, \$161,000 for the SACOG match, \$1,085,577 for the Walker Macy agreements, \$145,000 for the Nichols amendment, and \$100,000 from the developer's deposit from tax increment/Agency funds (Fund 206)
 - \$183,620 from the Caltrans grant (Fund 512)
 - \$1.239 million from the SACOG grant (Fund 248)
- 5) Execute agreements with Walker Macy for a total amount of \$2,715,102;
- 6) Execute a fourth amendment to City Agreement No. 2004-0161 with Nichols Consulting Engineers, Chtd. increasing the contract amount by \$145,000 for professional services (KD41);
- 7) Support an application for a Proposition 50 California River Parkways grant of up to \$4 million and authorizing the City Manager to execute all necessary agreements and documents, if the grant is awarded; and
- 8) Declare the area south of Pioneer Bridge and north of the Marina/Miller Park as a Revitalization Area in support of the efforts to relocate the existing tank farms to more quickly revitalize the Sacramento Riverfront.

For the Redevelopment Agency: Adopt a Resolution authorizing the Executive Director, or her designee to:

- 1) Enter into two Individual Project Agreements (IPAs) with the City of Sacramento. for the Docks Area Redevelopment Project (KD41) to transfer tax increment funds from the Merged Downtown Development Assistance project including:

IPA 1: Transferring \$45,905 of tax increment funds from the Merged Downtown Development Assistance project in order to provide the local match needed for a \$183,620 California Transportation Department (Caltrans) Grant awarded to the City.

IPA 2: Transferring \$1,246,577 of tax increment funds from the Merged Downtown Development Assistance project which includes \$161,000 for the required matching funds for the SACOG grant as well as \$1,085,577 for agreements with Walker Macy.

- 2) Amend and increase the existing IPA with the City of Sacramento in the amount of \$245,000 for KD41 based on the allocation of \$145,000 of tax increment funds from the Merged Downtown Development Assistance project for the Nichols contract amendment and the transfer of the KSWM Docks Partners, LLC (developer) deposit of \$100,000 from the Agency to the City of Sacramento;

- 3) Allocate \$7.26 million from the Merged Downtown Development Assistance project for the appraisals, acquisition and costs related to acquiring property in the Docks Area; and
- 4) Approve the extension of the Exclusive Right to Negotiate with KSWM Docks Partners, LLC by 270 days to June 30, 2007.

Contact: Laura Sainz, Senior Economic Development Project Manager, 808-2677; Leslie Fritzsche, Downtown Development Manager, 808-5450

Presenters: Laura Sainz, Senior Project Manager, 808-2677; Todd Saunders, KSWM Docks Partners, LLC; and Evan Rose, SMWM

Department: Economic Development

Division: Downtown Development Group

Organization No: 4451

Description/Analysis

Issue: A number of items need consideration in order to continue with the Docks Area redevelopment project. These items are related to the Agency's partnership with KSWM Docks Partners, LLC, (the development team for the Docks Area as approved by the Agency earlier this year) and to the design and development of the Docks Area promenade/parkway and levee improvements.

Items related to the development partnership include a request for feedback on the final land use alternatives, an allocation for property acquisition and the extension of the Exclusive Right to Negotiate with KSWM Docks Partners, LLC. Items related to the design and development of the promenade/parkway include grant and contract approvals. Background about the Docks Area redevelopment project and the various issues associated with this report is provided in Attachment 1. Five issues are addressed in this report including:

- 1) **Final Land Use Plans** -- The final draft land use plans are complete and have been presented to the public at a number of community workshops held during the month of August. The development team requests feedback from the City Council on these final draft land use plans (see Attachment 2).
- 2) **Acquisition of Properties** -- In order to fully assemble all of the developable property in the Docks Area, staff anticipates acquiring eight additional parcels. Five are owned by the State of California Department of Parks and Recreation (Parks and Recreation) and three are owned by Pacific Gas and Electric Company (PG&E). A Memorandum of Understanding between the City and Parks and Recreation has been prepared to facilitate acquisition of the state owned sites. Appraisals are expected to be completed by late summer. Staff is requesting an allocation of \$7.26 million for the appraisals, acquisitions and related costs. Agency acquisition/land assembly was an item identified in the Exclusive Right to Negotiate, and is part of the partnership between the Agency and developer.

- 3) **Grants** – The City was awarded two grants for the Docks Area levee improvements and promenade/parkway, one in the amount of \$183,620 from the California Department of Transportation (Caltrans) for the preliminary design of the levee improvements, riverfront parkway and the related community outreach process. The second grant was from the Sacramento Area Council of Governments in the amount of \$1.239 million for the final design and construction documents for the Docks Area levee improvements and riverfront parkway. Approvals are needed to accept the grants and transfer Downtown tax increment dollars to provide the required local match for the grant funds. A local match of \$45,905 is required for the Caltrans grant (20% of total project costs). A local match of \$161,000 is required for the SACOG grant. Staff also seeks approval to apply for a Proposition 50 California River Parkways grant for the Docks Area parkway, including levee improvements, the acquisition of related parcels located south of the Pioneer Bridge and/or the construction of the promenade/parkway and park space.
- 4) **Contracts** – In May of this year, a Request for Proposals (RFP) was issued for both landscape architecture services and civil design work for the Docks Area levee improvements and parkway/promenade design. An evaluation committee made up of representatives from the City's Parks, Economic Development, Transportation and Development Services Departments, representatives from KSWM Docks Partners, LLC, a representative from West Sacramento and a community representative (10 members total) interviewed the four landscape architect firms that submitted proposals. Following the review of related project experience and familiarity with the regulatory and permitting process required for the project, the evaluation committee recommended Walker Macy as the landscape architect and Nichols Consulting Engineers for the civil design work. Only one proposal was received for the civil design work. Staff recommends entering into two separate agreements with Walker Macy as the prime contractor in the amounts of \$229,525 and \$2,485,577 for the following:
- a. Preliminary design work on the proposed promenade and levee improvements;
 - b. Review of preliminary design with related regulatory agencies including the State Reclamation Board, the California Public Utilities Commission and the U.S. Army Corps of Engineers;
 - c. Complete design work on levee improvements, including geotechnical analysis, civil engineering work and design of oversized levee structure (levee improvements) and promenade/parkway improvements to be completed by Nichols Consulting Engineers as a sub contractor to Walker Macy;
 - d. Preparation of a bid package for levee improvements/parkway/promenade;
 - e. Technical assistance during bid process;
 - f. Technical assistance during construction; and
 - g. Community workshops regarding the design of the promenade.

The concept for the promenade/parkway is to utilize and strengthen the existing levee in the form of an oversized levee and to provide increased pedestrian access to the river and maintain open space adjacent to the riverfront. The contracts are split in order to comply with grant guidelines and tracking procedures.

Staff also recommends approval of a contract amendment with Nichols Consulting for on-going consulting services related to appraisal support and environmental remediation issues. Finally, staff recommends extending the Exclusive Right to Negotiate with KSWM Docks Partners, LLC by 270 days to June 30, 2007.

- 5) **Tank Farm Relocation** – The Waterfront Advisory Committee, made up of the Mayor and a councilmember from the cities of Sacramento and West Sacramento, support relocating the tank farms along the Sacramento riverfront. Council action supporting the establishment of a Revitalization Area for the property south of Pioneer Bridge and north of the marina provides direction to the current tank farm owners regarding the City Council's priority of revitalizing the entire Sacramento riverfront, notwithstanding that this is a joint staff report by the City and the Agency and this is outside of a project area. This is a City Council item only.

Policy Considerations:

City of Sacramento – The recommended actions are consistent with prior City Council direction related to the implementation of the 2003 Sacramento Riverfront Master Plan and the 2005 Docks Area Community Planning Process. In addition, City Council provided direction to staff in May of this year to issue a Request for Proposals for the promenade/parkway.

The Redevelopment Agency of the City of Sacramento – The recommended actions are consistent with the Amended Merged Downtown Redevelopment Plan, and the 2005-2009 Merged Downtown Redevelopment Plan. Redevelopment of the Docks Area will eliminate blight by 1) eliminating environmental deficiencies in the Merged Project Area, including mixed uses, small and irregular lots, obsolete, aged and deteriorated buildings, inadequate public improvements, and uneconomic land uses; and 2) strengthening retail and other commercial functions in the downtown area by the installation of needed site improvements either inside or outside the Merged Project Area to stimulate new commercial expansion, employment and economic growth.

Environmental Considerations: The proposed actions are continuing a part of the Docks Area planning activities and are exempt from environmental review pursuant to the CEQA Guidelines Section 15262. Environmental review will be conducted before commitment to a definite course of action or approval of a specific development or construction project.

Rationale for Recommendation: The recommended actions in this report are necessary to further the implementation of the 2003 Sacramento Riverfront Master Plan as well as the redevelopment goals for the Docks Area.

Financial Considerations:

The recommended actions will increase the budget for the Docks Area Redevelopment Project (KD41) by \$2,960,102 for a total of \$3,862,071. This amount reflects:

1. Tax increment/Agency funds (Fund 206) totaling \$1,537,482;
2. The Caltrans grant (Fund 512) for \$183,620; and
3. The SACOG grant (Fund 248) for \$1.239 million.

Out of the total budget amount for KD41, over 49% represents grants and monies received from outside agencies and the Docks developer.

Based on this information, there are sufficient funds to execute agreements with Walker Macy in the total amount of \$2,715,102 and amend the contract with Nichols Consulting Engineers for \$145,000.

Use of Tax Increment

Tax-exempt redevelopment bond funds will be used for all the projects. The source of funds for the recommended actions is the Merged Downtown Development Assistance project and the Phoenix Park loan repayment funds. Funds will be used as follows:

1. \$45,905 will be used as the required local match for the Caltrans grant;
2. \$161,000 will be used as the required local match for the SACOG grant;
3. \$1,085,577 will be used to execute an agreement with Walker Macy;
4. \$145,000 will be used for the Nichols Consulting Engineers contract amendment; and
5. \$7.26 million will be allocated for property acquisition in the Docks Area.

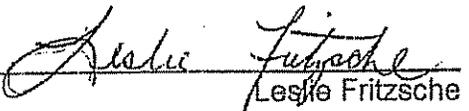
In addition, the city will be receiving the \$100,000 developer deposit currently being held by the Agency.

Emerging Small Business Development (ESBD):

Requests for Proposals (RFP) for the levee improvements and promenade design were issued in May of this year. The selection process complied with the City's policies regarding emerging and small businesses. This process included distribution to design and civil engineering companies certified with the City as emerging and small businesses (ESB). Subsequently, five proposals were submitted. One proposal was submitted by an ESB company. At the conclusion of the selection process, Walker Macy, a full-service landscape architecture and urban design firm was selected based upon experience and the merits of their proposal which more fully addressed the City's requirements and needs for this project.

M/WBE Considerations:

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by: 
Leslie Fritzsche
Downtown Development Manager
on behalf of the Redevelopment Agency
of the City of Sacramento


Robert Overstreet, Director
Department of Parks and Recreation

Recommendation Approved:

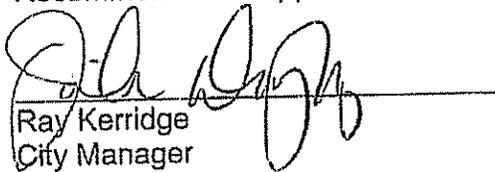

Ray Kerridge
City Manager

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Background

Docks Area Redevelopment Project

In July 2003, the City Council accepted the Sacramento Riverfront Master Plan (Master Plan) following a great community process supported by both the cities of Sacramento and West Sacramento. The Master Plan identified two opportunity sites targeted for redevelopment on the City of Sacramento riverfront. One of those opportunity sites, the Docks Area, is located north of the Marina/Miller Park, west of Interstate 5, south of Capitol Mall and east of the Sacramento River. The Master Plan includes a design for a continuous riverfront promenade/parkway along the urbanized areas of the Sacramento River.

In 2005, the City engaged in an extensive community planning process to further define the redevelopment concepts for the Docks Area. The Docks Area community planning process resulted in a number of concept plans, all of which included a riverfront parkway/promenade. In addition, a number of guiding principles were established for the redevelopment of the Docks Area, including:

1. Access to the riverfront;
2. Linkages to adjacent neighborhoods;
3. Pedestrian orientation; and
4. An animated riverfront.

In October 2005, the Agency issued a Request for Qualifications (RFQ) to determine developer interest in the Docks Area. Following an extensive review of received submittals and a community workshop and interviews, a development team was selected by the evaluation committee. On January 5, 2006, an Exclusive Right to Negotiate was approved between the Agency and KSWM Docks Partners, LLC for the development of properties north of the Pioneer Bridge in the northern section of the Docks Area.

In April 2006, SACOG awarded the City a \$1.239 million grant for the design and construction of the Docks Area Riverfront Promenade. The next step is for the City to enter into a Memorandum of Understanding for the grant and provide the required local matching funds. It is anticipated the local matching funds of \$161,000 will come from the Merged Downtown Redevelopment Project Area funds.

On May 4, 2006, an update on the predevelopment activities related to the Docks project was presented and included the following issues:

Property Acquisition - Staff has been negotiating with two property owners, including the State of California and the Pacific Gas and Electric Company (PG&E). The City is entering into a Memorandum of Understanding (MOU) with the State of California Department of Parks and Recreation in an effort to acquire and/or secure easements on state-owned parcels. In addition, all of the remaining properties in the Docks Area, including the properties south of Pioneer Bridge needed for the riverfront promenade, are being appraised. Following completion of the appraisals, staff will initiate negotiations with PG&E and the property owners south of Pioneer Bridge.

State Lands Commission Boundary Line Agreement (BLA) - Staff has met with the State Lands Commission to move forward with a BLA that will formally define the Commission's interest in the Docks Area, thereby clearing title on the developable parcels.

Pioneer Reservoir - The City owns and operates the Pioneer Reservoir as part of the downtown combined sewer-storm drain system. The Reservoir is in need of significant structural improvements. Staff is in the process of evaluating options to either repair the existing facility or build a new facility that would provide enhanced design and land use options. The existing facility and surrounding area is approximately seven acres, which is a substantial portion of the 21 developable acres north of Pioneer Bridge.

The Riverfront Promenade - Staff and the development team reviewed the feasibility of starting the promenade design and development as a separate process in an effort to maintain momentum in the area as well as to begin to define the critical public and open space in the project.

Department of Toxic Substances Control (DTSC) - Staff has been meeting with the DTSC to review existing deed restrictions and remediation options in the Docks Area.

Developer Activity

Market Assessment - KSWM completed a market assessment to identify market demand and absorption rates. This assessment provides specific information related to the economic feasibility of planning goals that include a high-density, mixed-use project.

Concept Plans/Community Planning Process - KSWM began its due diligence by reviewing the 2003 Riverfront Master Plan and the 2005 Docks Area community planning process. In addition, the developer reviewed the infrastructure assessment, the Phase I and II Environmental Site Assessment, and the draft facilities plan which were prepared to identify existing constraints in the area.

On May 23, 2006, staff received direction from City Council to issue a Request for Proposals for the design of the levee improvements and riverfront promenade/parkway. Following Council direction, a Request for Proposals was issued for the Docks Area levee improvements and riverfront promenade design. An evaluation committee made up of the City's Docks Area technical team, including seven staff members from the City's economic development, parks, transportation and planning departments reviewed the initial proposals. One proposal was received for the civil design work. Four proposals were received for the landscape architecture, permitting and community outreach portion of the project. The civil design team met all the necessary qualifications. All four of the landscape architecture teams were interviewed. The evaluation committee, made up of the City's technical team, representatives from the development team and a community representative interviewed the landscape architect teams. After reviewing the team's related experience and expertise with the regulatory and permitting process required for this project, the evaluation team recommended selecting Walker Macy as the landscape architect firm. Nichols Consulting Engineers will be completing the civil engineering work. In order to facilitate the management of the overall project, Walker Macy is being recommended as the prime contractor. Council also requested staff to strategically target

grant funds to be used for the properties south of the Pioneer Bridge, since these properties are not within the Merged Downtown Redevelopment Project Area.

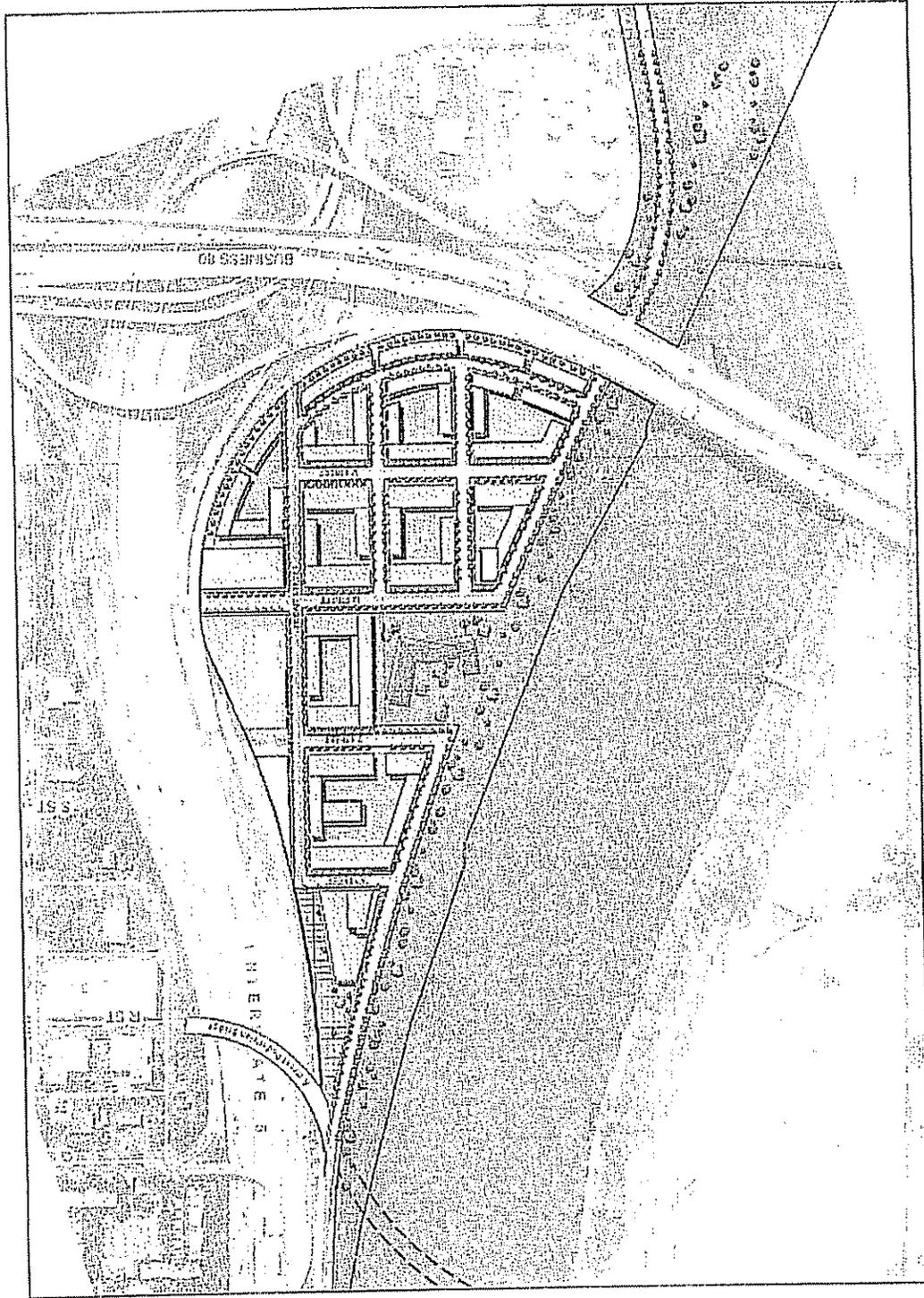
On May 26, 2006, the City was awarded an \$183,620 grant from the California Department of Transportation for the community outreach process related to the promenade/parkway design. The City must provide \$45,905 in local matching funds. It is anticipated these funds will come from the Merged Downtown Redevelopment Project Area funds.

On May 30, 2006, the Agency approved an Environmental Oversight Agreement (EOA) between the Agency and the State Department of Toxic Substances Control for oversight and guidance on proposed remediation strategies for redeveloping the Docks Area.

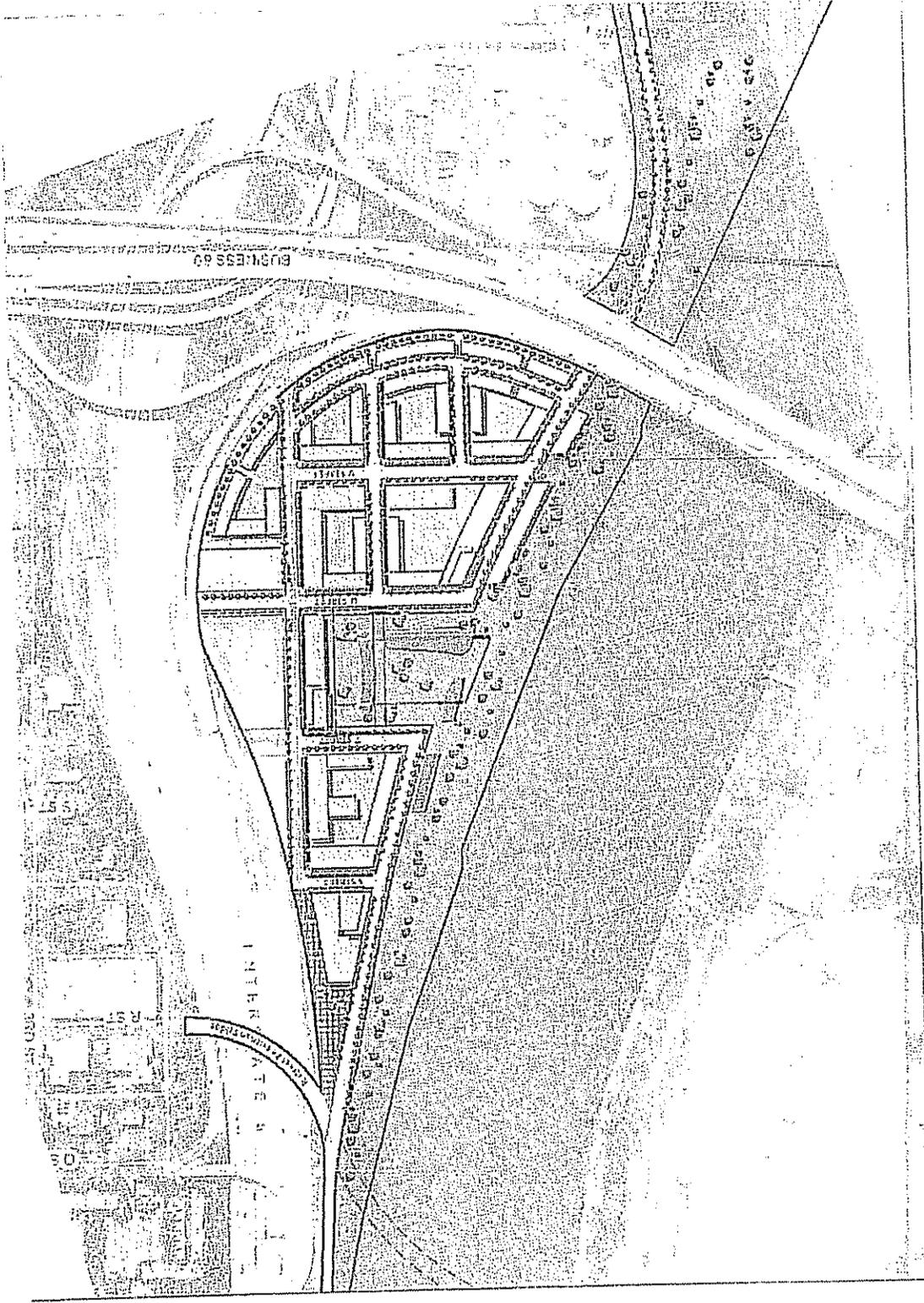
In August 2006, a number of community meetings were or will be held to solicit public input on the final draft land use plans, including.

- August 3rd** Presentation to the City of Sacramento Parks and Recreation Commission
- August 10th** Presentation to the Waterfront Advisory Committee
- August 16th** Community Open House
- August 16th** Presentation to the City of Sacramento Design Review Board
- August 17th** Presentation to the City of Sacramento Planning Commission

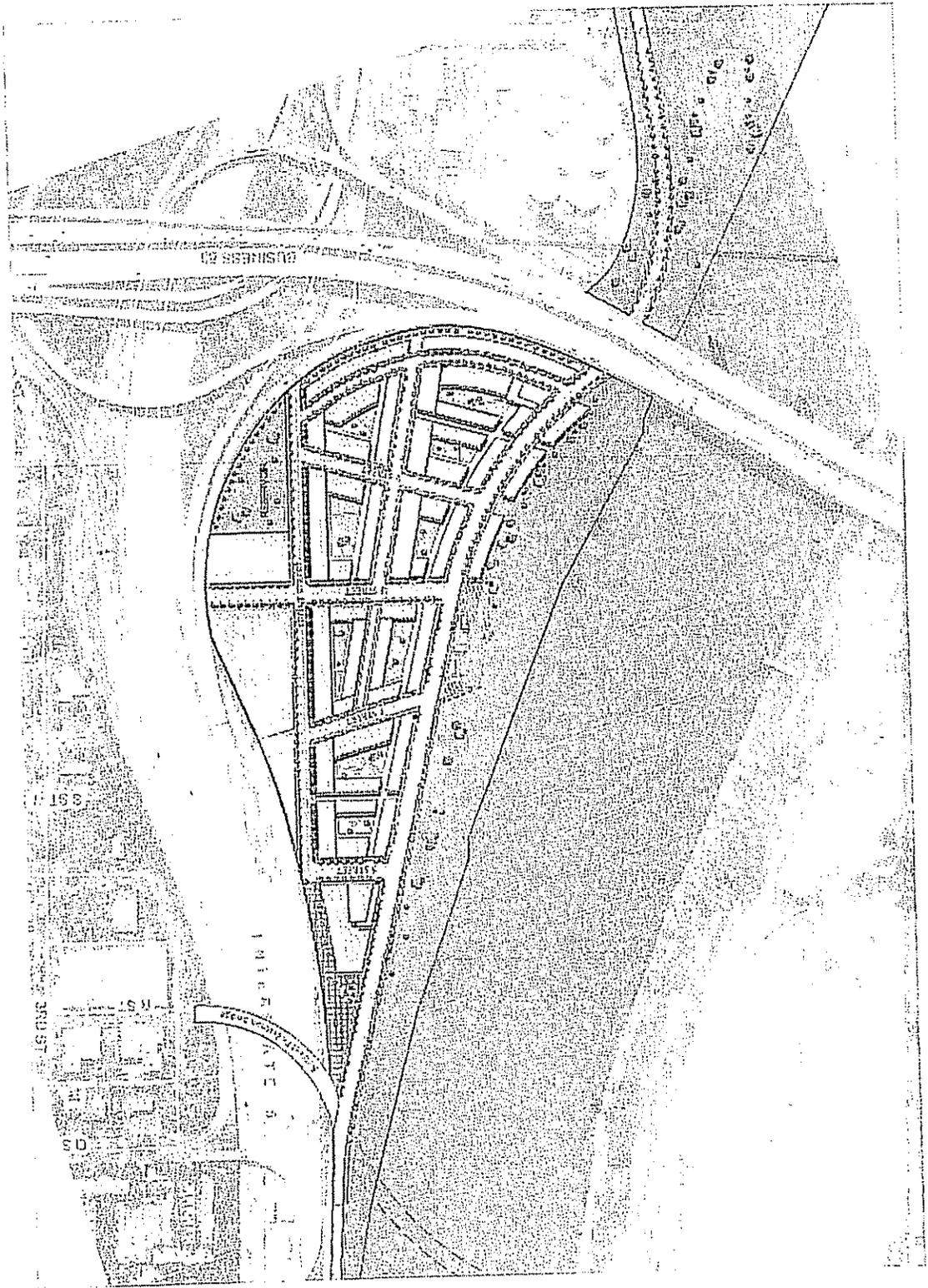
Scheme A1



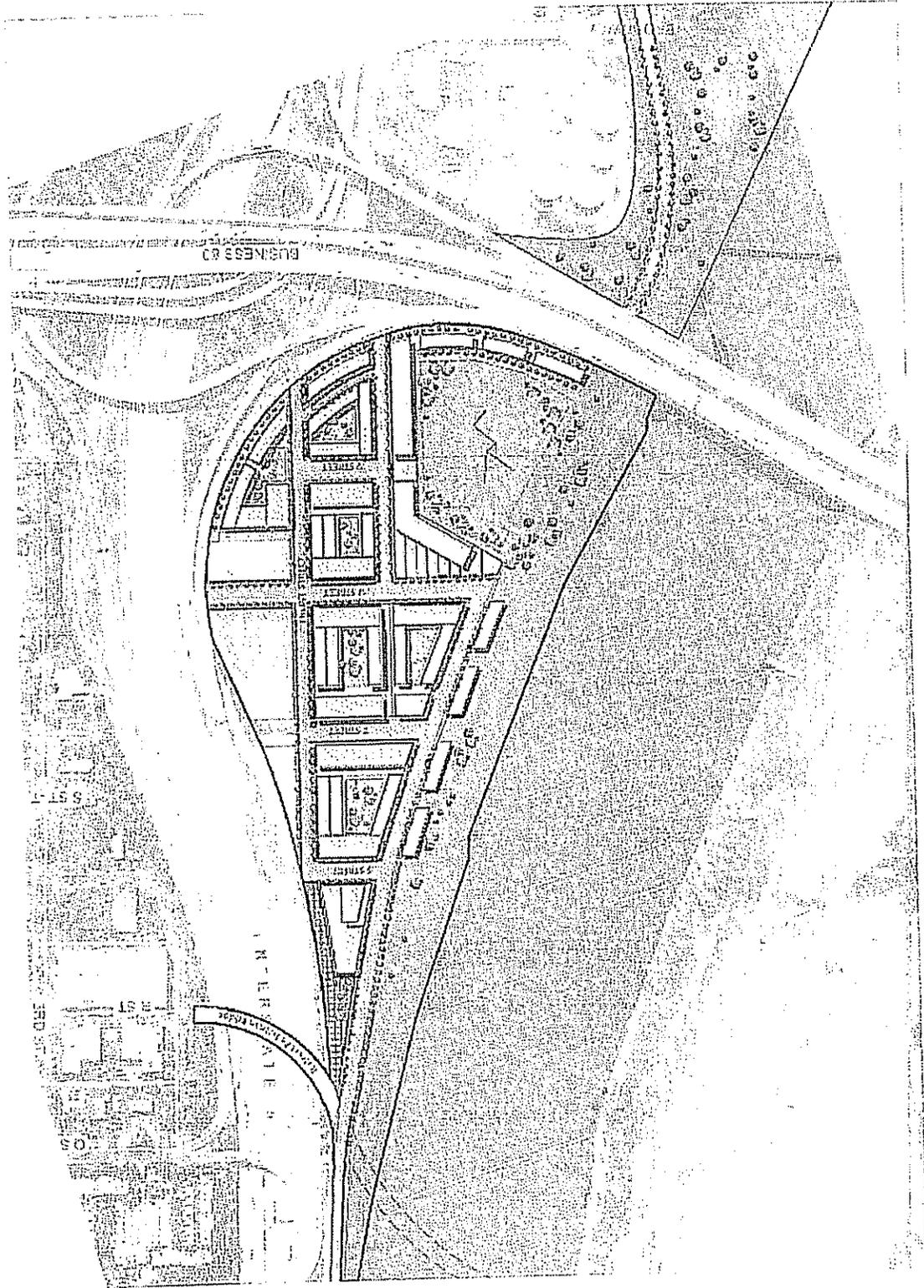
Scheme A2



Scheme B



Scheme C



RESOLUTION NO.

Adopted by the City Council

APPROVE FUNDING AMENDMENTS TO THE DOCKS AREA REDEVELOPMENT PROJECT (KD41); GRANT APPLICATIONS, AGREEMENTS AND FUNDING; CONTRACT AMENDMENTS; AND SUPPORT FOR THE RELOCATION OF THE TANK FARMS ALONG THE SACRAMENTO RIVERFRONT

BACKGROUND

- A. In July 2003, the City Council accepted the Sacramento Riverfront Master Plan (Master Plan). Included in the Master Plan was the identification of the Docks Area as an opportunity site. The original concept for the Docks Area included a mixed-use neighborhood and a riverfront parkway/promenade.
- B. In 2005, the City engaged in an extensive community planning process to further define the Docks Area. The Docks Area community planning process resulted in a concept design for a high density, mixed-use neighborhood with a riverfront promenade along the Sacramento River.
- C. In January 2006, the Redevelopment Agency of the City of Sacramento (Agency) approved an Exclusive Right to Negotiate with KSWM Docks Partners, LLC as the Master Developer for the Docks Area.
- D. In April 2006, the City was awarded a \$1.239 million Sacramento Area Council of Governments grant for the design and construction of the Docks Area Riverfront Promenade, with a required local match of \$161,000. In May 2006, the City was awarded a \$183,620 grant from the California Transportation Department (Caltrans) with a required local match of \$45,905.
- E. In May 2006, City Council provided direction to issue a Request for Proposals for the community outreach and design of the Docks Area promenade and levee improvements. An evaluation committee reviewed proposals and conducted interviews before recommending awarding the contract to Walker Macy.
- F. Nichols Consulting Engineers, Chtd. (Nichols) was awarded a contract to assist with predevelopment analysis in the Docks Area. Predevelopment analysis included a Phase I & II Environmental Site Assessment, an infrastructure assessment and early design of future infrastructure needs. A contract amendment is needed to authorize Nichols to continue to provide technical assistance related to appraisal support and working with the Department of Toxic Substances Control regarding remediation options related to redeveloping the Docks Area.
- G. The development team selected for the Docks Area, KSWM Docks Partners, LLC has submitted a \$100,000 deposit to the Agency.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the City Council makes the following findings:

- a) The Docks Area Projects, including the promenade/parkway and levee improvements; the property acquisition and the technical assistance from Nichols Consulting Engineers are of benefit to the Merged Downtown Redevelopment Project Area because of the improvements to public infrastructure, the consolidation of properties for the eventual high-density mixed-use development and the remediation of a Brownfields site;
- b) There are no other reasonable means of financing the Projects available to the community except for redevelopment area tax increment proceeds; and
- c) The use of redevelopment area tax increment proceeds for the Projects will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area and the Projects are consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.

Section 3. The City Manager is authorized to:

- a) Execute a Memorandum of Understanding between the City of Sacramento and the Sacramento Area Council of Governments (SACOG) for a \$1.239 million SACOG 2005-2007 Community Design Grant awarded to the City (KD41);
- b) Enter into two Individual Project Agreements (IPA) with the Redevelopment Agency of the City of Sacramento (Agency) for KD41 including:

IPA 1: Transferring \$45,905 of tax increment funds from the Merged Downtown Development Assistance project in order to provide the local match needed for a \$183,620 California Transportation Department (Caltrans) Grant awarded to the City.

IPA 2: Transferring \$1,246,577 of tax increment funds from the Merged Downtown Development Assistance project which includes \$161,000 for the required matching funds for the SACOG grant as well as \$1,085,577 for agreements with Walker Macy.

- c) Amend and increase the existing IPA with the Agency in the amount of \$245,000 for KD41 based on the allocation of \$145,000 of tax increment funds from the Merged Downtown Development Assistance project for a contract amendment with Nichols Consulting Engineers, Chtd. and the transfer of the \$100,000 deposit from KSWM Docks Partners, LLC from the Agency to the City of Sacramento;

Section 4. The FY06/07 Capital Improvement Program revenue and expenditure budgets are hereby amended by increasing the revenue and expenditure budgets for the KD41 IPAs, when the appropriate documents are executed, in the following amounts:

- \$45,905 for the Caltrans match, \$161,000 for the SACOG match, \$1,085,577 for the Walker Macy agreement, \$145,000 for the Nichols amendment and \$100,000 from the developer's deposit from tax increment/Agency funds (Fund 206)
- \$183,620 from the Caltrans grant (Fund 512)
- \$1.239 million from the SACOG grant (Fund 248)

Section 5. The City Manager is authorized and directed to execute an agreement with Walker Macy for a total amount of \$229,525 for the preliminary design of the Docks Area levee improvements and promenade/parkway project (KD41);

Section 6. The City Manager is authorized and directed to execute an agreement with Walker Macy for a total amount of \$2,485,577 for the design and construction documents for the Docks Area levee improvements and promenade/parkway project (KD41);

Section 7. The City Manager is authorized to execute a fourth amendment to City Agreement No. 2004-0161 with Nichols Consulting Engineers, Chtd. increasing the contract amount by \$145,000 for professional services (KD41);

Section 8. The City Council supports an application for a Proposition 50 California River Parkways grant of up to \$4 million and authorizes the City Manager to execute all necessary agreements and documents, if the grant is awarded; and

Section 9. The area south of Pioneer Bridge and north of the Marina/Miller Park is hereby declared a Revitalization Area in support of the efforts to relocate the existing tank farms to more quickly revitalize the Sacramento Riverfront.

RESOLUTION NO.

Adopted by the Redevelopment Agency
of the City of Sacramento

**MERGED DOWNTOWN SACRAMENTO REDEVELOPMENT PROJECT AREA:
DOCKS AREA CAPITAL IMPROVEMENT PROJECT;
GRANT AGREEMENTS AND FUNDING; AND
ALLOCATION FOR PROPERTY ACQUISITION**

BACKGROUND

- A. In July 2003, the City Council of the City of Sacramento accepted the Sacramento Riverfront Master Plan (Master Plan). The Master Plan includes the Docks Area as an opportunity site. The original concept for the Docks Area included a mixed-use neighborhood and a riverfront parkway/promenade.
- B. In 2005, the City of Sacramento (City) engaged in an extensive community planning process to further define the Docks Area. The Docks Area community planning process resulted in an early concept plan for a high density, mixed-use neighborhood with a riverfront promenade along the Sacramento River.
- C. In January 2006, the Redevelopment Agency of the City of Sacramento (Agency) approved an Exclusive Right to Negotiate with KSWM Docks Partners, LLC as the Master Developer for the Docks Area.
- D. In April 2006, the City of Sacramento was awarded a \$1.239 million Sacramento Area Council of Governments (SACOG) grant for the design and construction of the Docks Area Riverfront Promenade, with a required local match of \$161,000. In May of this year, the City was awarded a \$183,620 grant from the California Transportation Department (Caltrans) with a required local match of \$45,905.
- E. In May 2006, City Council provided direction to issue a Request for Proposals for the community outreach and design of the Docks Area promenade and levee improvements. An evaluation committee reviewed proposals and conducted interviews before recommending awarding the contract to Walker Macy.
- F. Nichols Consulting Engineers, Chtd. (Nichols) was awarded a contract to assist with predevelopment analysis in the Docks Area. Predevelopment analysis included a Phase I & II Environmental Site Assessment, an infrastructure assessment and early design of future infrastructure needs. A contract amendment is needed to authorize Nichols to continue to provide technical assistance related to appraisal support and working with the Department of Toxic Substances Control regarding remediation options related to redeveloping the Docks Area.

- G. The development team selected for the Docks Area, KSWM Docks Partners, LLC has submitted a \$100,000 deposit to the Agency.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REVELOPMENT AGENCY RESOLVES AS FOLLOWS:

Section 1. After due consideration of the evidence presented, the findings, including the environmental findings regarding this action as stated in the staff report that accompanies this resolution, are approved.

Section 2. Pursuant to Section 33445 of the Health and Safety Code of the State of California, the Agency makes the following findings:

- a) The Docks Area Projects, including the promenade/parkway and levee improvements; the property acquisition and the technical assistance from Nichols Consulting Engineers are of benefit to the Merged Downtown Redevelopment Project Area because of the improvements to public infrastructure, the consolidation of properties for the eventual high-density mixed-use development and the remediation of a Brownfields site.
- b) There are no other reasonable means of financing the Projects available to the community except for redevelopment area tax increment proceeds.
- c) The use of redevelopment area tax increment proceeds for the Projects will result in the elimination of blighting influences of inadequate, under-capacity and dilapidated infrastructure inside the Project Area and the Projects are consistent with the implementation plan adopted pursuant to Health and Safety Code of the State of California, Section 33490.

Section 3 The Executive Director or her designee, is authorized to enter into two Individual Project Agreements (IPAs) with the City of Sacramento for the Docks Area Redevelopment Project (KD41) to transfer tax increment funds from the Merged Downtown Development Assistance project including:

IPA 1: Transferring \$45,905 of tax increment funds from the Merged Downtown Development Assistance project in order to provide the local match needed for a \$183,620 California Transportation Department (Caltrans) Grant awarded to the City.

IPA 2: Transferring \$1,246,577 of tax increment funds from the Merged Downtown Development Assistance project which includes \$161,000 for the required matching funds for the SACOG grant as well as \$1,085,577 for agreements with Walker Macy.

Section 4. The Executive Director or her designee, is authorized to amend and increase the existing IPA with the City of Sacramento in the amount of \$245,000 for KD41 based on the allocation of \$145,000 of tax increment funds from the Merged Downtown Development Assistance project for the Nichols contract amendment and the transfer of the KSWM Docks Partners, LLC deposit of \$100,000 from the Agency to the City of Sacramento;

Section 5. Allocate \$7.26 million from the Merged Downtown Development Assistance project, including \$4 million from the Phoenix Park loan repayment funds for the appraisals, acquisition and costs related to acquiring property in the Docks Area; and

Section 6. Approve the extension of the Exclusive Right to Negotiate with KSWM Docks Partners, LLC by 270 days to June 30, 2007.